

that will make it even harder for him to accomplish his purpose. Therefore, it is up to us to render distinct service to him in showing how he can play the game safe and take care of that mortgage in full whether he lives or whether he dies, and the only way we can do it is to talk simple, everyday, common sense couched in terms that the farmer can understand.

A mortgage is useful and advisable, but if it is unprotected it is a hazard to the mortgagor and his family. The farmer takes the chance that he will live to pay it off, but the fact remains that human life is uncertain, and he may be called before he has accomplished much. If he leaves but little cash assets there is always the chance that his heirs will have to sacrifice their holdings to settle the estate. Cases of that kind are familiar to all. Here is a sample. A man buys a farm worth, we will say, fifty thousand dollars. He pays down thirty thousand and gives a mortgage of twenty thousand. He starts out to wipe out this indebtedness, but in a short time he dies. He has saved no money and his widow cannot run the farm herself. After paying the mortgage she has but little left. Had the farmer covered this mortgage with life insurance she would have owned the farm in full and would have reaped the profit of a sale where she could afford to await for the right price.

How often a farmer has gone to a bank to request a loan and the banker as he looked up over, the top of his gold glasses and rubbed his white hands, said: Your request for a loan would be satisfactory to us if we were sure you would be here to pay it off in the allotted time. We know you, we know that you are honest and a hard worker, and if nothing happens to you we will receive our money when due, but you may die before the loan is paid.

Remember that the farmer has all of his savings tied up in his farm, that it is his aim and object to clear up the farm, pay for his stock and equipments and have a bank account sufficiently large to educate his children. That is his life work, and it is easy for you to show him how premature death might cut short his plans, but that life insurance will enable him to complete them. The whole idea in selling a farmer a policy to cover up a mortgage is to show him how small a yearly payment will take care of the large indebtedness. When he once sees that, then a good-sized policy can be sold him.

### Wholesale Commodity Prices

Prices continue to move downward in many important groups of raw products, and of semi-manufactured materials for use in further manufactures.

Declines have been passed on to the finished product in some lines. Unless untoward social and political developments should take place in Europe, however, it now seems likely that in the case of most commodities the period of rapid price adjustment has passed, and that fluctuations from now on will be through a gradually narrowing margin. Present price movements, however, must be interpreted with the greatest care. Cases in point are those commodities the prices of which appear superficially stable, but in which, as a matter of fact, almost no business is being done. In such cases, actual values can not be known until trading operations are resumed.

Curtailement of manufacturing and merchandising activities was inevitable while price changes were radical in character. On the other hand, slowly declining prices require that business be carried on cautiously with careful thought to the long future, but do not preclude sane and conservative operations. Unwillingness to face the facts in the hope of return to another period of rapidly rising prices, and failure to admit that a new working basis must be found, not only react on the individual interests involved, but on the entire business community. Fortunately the facts have been recognized by many interests, but in some lines failure to do so is handicapping business.

### Watch for Moral Hazard of Auto Business

A New York contemporary discussing the Automobile business says:—

Automobile insurance men are watching the business with vigilant eyes just now, fearing a serious moral hazard. Three automobiles concerns have gone into the hands of receivers during the past week and it is known that several others of the recently organized and lightly financed companies are on the ragged edge. Reports are current of the laying off of thousands of men by this and that automobile concern and that the situation is serious is shown by the steady decline in the market values of the stocks of even the oldest, strongest and best financed motor companies. The same tendency is shown by the motor accessory concerns and the tire manufacturers. If some of the receivers should offer their stock of cars on the market for what they will bring or if the concerns in financial trouble, should market stocks for the best price obtainable there might be such a drop in the current value of automobiles as to develop moral hazard, especially as the motoring season is nearing its end. The situation has already been reflected in a very material reduction in second hand cars and a further cut in this line is anticipated.